

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7221**

**BILL NUMBER:** HB 1345

**NOTE PREPARED:** Jan 29, 2004

**BILL AMENDED:**

**SUBJECT:** Officeholders' Leaves of Absence for Military Service.

**FIRST AUTHOR:** Rep. Buell

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**      **GENERAL**  
                                 **DEDICATED**  
                                 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes a procedure for a person holding a state, legislative, local, or school board office to take a leave of absence when called into active military service and for the appointment of a person to temporarily perform the officeholder's duties during the leave.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** While the bill establishes procedures for the temporary appointment of a person to fulfill an elected officeholder's duties while the officeholder is called into active military service, it does not change an officeholder's eligibility for salary or benefits. The procedures described in the bill are not expected to have a significant fiscal impact on the state.

*Background Information:* State and local officeholders are not entitled to a salary while taking a leave of absence. The federal Uniformed Services Employment and Reemployment Rights Act (USERRA) law requires state and local employers to provide health insurance to deployed officials at COBRA rates (the COBRA premium insurance is 102% of the employer/employee rate). Additional, for the purpose of vesting in retirement programs, federal law requires the inclusion of time spent on active military service when calculating benefits. Persons temporarily appointed to an officeholder's position would receive the same salary and benefits as provided to an elected officeholder.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Locally elected offices are also subject to the procedures described in the bill.

**Explanation of Local Revenues:**

**State Agencies Affected:** Statewide elected offices; Supreme Court; General Assembly.

**Local Agencies Affected:** Locally elected offices.

**Information Sources:**

**Fiscal Analyst:** John Parkey, 317-232-9854.